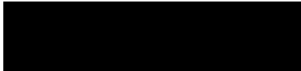


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Chairman, Economic Defense Intelligence
Committee

29 January 1957

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EDIC/DB-27 Sino-Soviet Bloc Merchant Shipping Requirements and
Capabilities, 1956 - 1960

1. Pursuant to EDIC direction, an ad hoc subcommittee, consisting of representatives of State/OIR, Navy/OHI, and CIA/RR was formed to service the subject intelligence requirement (EDIC/DB-27). The members of this sub-committee are:

Mr. John G. Oliver - State/OIR
Mr. Martin Melishen - Navy/OHI
[Redacted] - CIA/RR

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2. The first meeting of this sub-committee was held on Monday, 28 January 1957 at 1500 hrs. in room 1122, M building, under the unofficial chairmanship of the CIA member, with [Redacted] CIA/RR also attending. The respective agency contributions were discussed and the following assignments were agreed upon:

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EDIC/DB-27

AGENCY Responsibility

- | | |
|---|------------------|
| I. Introduction (Background - what the paper will do) | Joint Drafting |
| II. Recapitulation of COCOM/CHINCOM Shipping Negotiations and Controls Currently in Effect | State/OIR (NOAC) |
| III. Composition of Present Sino-Soviet Bloc Merchant Fleet (Including Naval Auxiliaries) by Type of Vessel, Size, Speed, and Age Group | Navy/OHI |
| IV. Sino-Soviet Bloc Requirements for Merchant Shipping: | |
| A. Ocean Going Vessels | |
| 1. Sino-Soviet Bloc Shipping in Bloc World Trade as Indicated by Voyage Analysis, 1955 | Navy/OHI |

State Dept. declassification & release instructions on file

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EDR/IR-27 (Cont'd)

Agency Responsibility (Cont'd)

2. Western Shipping in Bloc World Trade as Indicated by Voyage Analysis, 1955 Navy/ONI
 3. Estimated Total Bloc Requirements, 1960 CIA/RE
 4. Coastal Vessels - to be covered also under A above
 5. Bloc Capabilities to Supply its Merchant Shipping Requirements
 - A. Given Continued Availability of Western Shipping under Current International Agreements and Understandings CIA/RE
 - B. On the Assumption that Western Shipping would not be available for Sino-Soviet Bloc Trade CIA/RE
 6. Western Capabilities to Construct Shipping for the Sino-Soviet Bloc
 - A. Tonnage Currently Constructed or Repaired CIA/RE
 - B. Prospects for Providing Tonnage in addition to that already under Construction or on Order as of January 1957 CIA/RE
 7. Summary and Conclusion Joint Drafting
3. In estimating the length of time required to complete the above project, it was determined that sufficient material was already on hand to collate the information required in parts I, II, III, V, and VI, i.e., generally speaking, information on the present size and composition of the Sino-Soviet Bloc merchant fleet, construction for the Sino-Soviet Bloc in Free-World yards 1955-1960, as well as the Bloc's own construction capabilities during that period. With regard

to these sectors of EDHS/TH-27, the deadline suggested in Admiral Delany's letter can be met. Accordingly, the responsible agencies have agreed to provide this information by 15 February 1957, which will leave sufficient time for editorial revisions and the preparation of a preliminary report.

The information required for part IV, however, i.e., Sino-Soviet Blue Requirements for Merchant Shipping in 1955 and Estimated Requirements for 1960, will require a detailed analysis of available information on Free-World and Sino-Soviet Blue shipping engaged in Blue trade during 1955, to determine, to the extent possible, their ton-kilometer performances. In addition, it will require a determination of the type of Free-World shipping service employed, i.e., berth-line, tramp, or charter, and the extent of each. On the basis of this information, as well as on the basis of collateral information provided by Sino-Soviet Five-Year plan goals for 1960, projections will have to be made to estimate their merchant shipping requirements for 1960.

4. Given the regular work-load of the officers responsible for working up this information, which, unless superseded by the current project as a priority assignment, will have to be met, the analysis of available shipping data to collate the information required in part IV will necessitate a minimum of two months time. In view of the desirability of this information as a most meaningful basis for the determination of present and future shipping control policies and international negotiations leading thereto, it was decided immediately to proceed with this analysis, devoting whatever manpower resources are currently available consistent with regular office assignments. At the same time, it was decided that subject to your approval and recommendation EDHS should either request the agencies concerned to give priority to this part of the project, over and above regular assignments, or else request EDAC to extend the deadline suggested in Admiral Delany's letter so as to permit the completion of this analysis under existing work priorities.

In this connection it should be pointed out that under the current international climate of opinion, the only controls over shipping that could reasonably be expected to result from a UN meeting in the near future would affect the construction of ships for the Sino-Soviet Blue rather than the employment of Free-World shipping in Sino-Soviet Blue trade. Insofar as the current project is designed to support a UN position for a UN meeting in the near future, therefore, completion of the parts relating to the current composition of the Sino-Soviet Blue

merchant fleet, as well as ship construction for the Sino-Soviet Bloc in the Free-World and in the Bloc itself, would, to a considerable extent, meet that requirement. This is not to undervalue the importance, per se, of a thorough analysis of Sino-Soviet Bloc shipping requirements, both at the present time and in 1960, but rather to place that aspect of the current project in its proper perspective, i.e., as an intricate part of a basic study supporting the long-run determination of a US policy on shipping controls.

5. Your comments are requested generally on the work-program of the subject EDIC sub-committee as outlined above, and your recommendation is sought specifically regarding the alternative ways of arranging for the collation of part IV of EDIC/IS-27, i.e., by EDIC either requesting that the agency as concerned assign an over-riding priority to its completion, or requesting that EDAC extend the deadline for this part of the assignment. A memorandum requesting either course of action will be prepared at your request for your signature.